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Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00 CIAE-00

DODE-00 PM-03 H-01 INR-05 L-02 NSAE-00 NSC-05 PA-01

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O R 161100Z DEC 74
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC IMMEDIATE 6764
INFO AMEMBASSY SEOUL
AMEMBASSY TAIPEI
AMCONSUL HONG KONG
USLO PEKING
CINCPAC HONOLULU HI
COMUSJAPAN YOKOTA AB JA

C O N F I D E N T I A L SECTION 1 OF 2 TOKYO 16357

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PINT, JA
SUBJECT: PRELIMINARY ANALYSIS OF THE MIKI ADMINISTRATION

REF: A. TOKYO 16040 B. TOKYO 15980

SUMMARY: THE MIKI CABINET AND SLATE OF PARTY OFFICERS REPRESENT A COMPROMISE BETWEEN THOSE DESIRING A NEW GOVERNMENT BASED ON MERIT AND THE REALITIES OF FACTIONAL POLITICS. THE RESULT IS AN UNSTABLE MIX WITHOUT A STRONG UNIFYING ELEMENT OTHER THAN THE SENSE OF CRISIS WITHIN THE PARTY. THE LOCUS OF POWER SEEMS TO REST MORE WITH THE LDP LEADERSHIP THAN THE CABINET. THE POWER STRUCTURE OF THE CABINET IS DIFFUSED, WITH MIKI IN A CENTRAL POSITION BY VIRTUE OF HIS POSITION, BUT WITH FUKUDA ATTEMPTING TO FILL A SELF-INITIATED ROLE AS ECONOMIC PRIME MINISTER. BOTH ARE VULNERABLE TO EXTERNAL AND INTERNAL PRESSURES. NON-DIETMAN NAGAI
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(EDUCATION) IS NOT PRESENTLY EXPECTED TO LAST IN HIS

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POST, NOR IS KOMOTO IN MITI. TO REMAIN IN POWER, MIKI WILL HAVE TO AVOID VARIOUS PITFALLS AND ADROITLY BALANCE FUKUDA AGAINST OHIRA. OUR EARLIER PROGNOSIS THAT HE MAY NOT LAST A YEAR REMAINS UNCHANGED. END SUMMARY.

1. THE MIKI CABINET AND SLATE OF PARTY OFFICERS NAMED ON DECEMBER 9 (REF A) REPRESENT A COMPRO-MOSE BETWEEN MIKI'S PERSONAL DESIRE FOR A GOVERNMENT OF TALENT AND THE REALITIES OF FACTIONAL POLITICS. AS A PRODUUT OF COMPROMISE, THE CABINET AND PARTY LEADERSHIP HAS FAILED TO PLEASE EITHER THE IDEALISTS WHO WANTED A COMPLETE BREAK WITH THE PAST IN CHOOSING A TEAM BASED ONLY ON ABILITY, OR THOSE WHO FELTTTHEIR FACTIONS HAD NOT BEEN ADEQUATELY REPRESENTED. MOST OBSERVERS WE HAVE CONSULTED CONCLUDE, ALBEIT TENTATIVELY, THAT THE RESULT IS AN UNSTABLE MIX WITHOUT A STRONG UNIFYING ELEMENT, OTHER THAN THE PREVAILING MOOD OF POLITICAL AND ECONOMIC CRISIS. IN DESCRIBING THE POWER STRUCTURE, THEY OFTEN SAY THAT IT IS "DIIMEMBERED" (BARA BARA) OR "FORMLESS".

2. THE LOCUS OF POWER IN THIS NEW ADMINISTRATION PROBABLY HAS NOT JELLED YET. MANY BELIEVE, AND WE TEND TO AGREE, THAT IT RESTS MORE WITH THE PARTY, SPECIFICALLY IN THE PERSON OF LDP VICE PRESIDENT SHIINA. THE WAY IN WHICH HE OUTMANEUVERED THE MAIN PRESIDENTIAL CONTENDERS ND PARTY ELDERS AND GAVE THE NOD TO MIKI ON DECEMBER 1, AND HIS PREMATURE DISCLO-SURE OF MIKI'S CABINET SLATE ON DECEMBER 9, THEREBY PRECIPITATING A FLURRY OF REVISIONS MORE TO HIS LIKING, ARE ALREADY LEGENDARY. SHIINA, TOGETHER WITH HIS OLD COMRADES-IN-ARMS, LDP EXECUTIVE OARD CHAIRMAN NADAO AND HOUSE SPEAKER MAEO, FORMS THE REAL CENTER OF POWER, ACCORDING TO SEVERAL SOURCES. THEY NOTE THAT THE TRIO IS SUPPORTED BY POLICY BOARD CHAIRMAN MATSUNO (FUKUDA FACTION).

3. MOST BELIEVE SECRETARY-GENERAL NAKASONE'S INFLUENCE HAS BEEN SIDE-TRACKED, AT LEAST FOR THE CONFIDENTIAL

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TIME BEING, DESPITE THE TRADITIONAL IMPORTANCE OF THE POST GIVEN HIM. OBSERVERS POINT TO THE APPOINT-MENT, WITHOUT NAKASONE'S CONSENT, OF HIROHIDA ISHIDA (MIKI FACTION) AS DEPUTY SECRETARY GENERAL, AND TO NAKASONE'S FAILURE TO OBTAIN MORE THAN ONE POST (INABA, JUSTICE) FOR HIS FACTION IN THE CABINET, WHICH THEY SAY MAY GIVE HIM DIFFICULTY IN HOLDING HIS LOOSELY-KNIT FACTION TOGETHER.

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4. AS IF TO UNDERSCORE THE DOMINANT INFLUENCE OF SHIINA IN THE NEW ADMINISTRATION, MIKI HAS STATED THAT HE WOULD CARRY OUT HIS MAIN OBJECTIVE, PARTY RENOVATION, BY FIRST SUBMITTING HIS PROPOSALS TO THE SHIINA RESEARCH COMMITTEE FOR PARTY REFORM. MIKI HAS ALSO PROPOSED WEEKLY MEETINGS BETWEEN CABINET MEMBERS AND THE PARTY LEADERSHIP TO COORDINATE ON FOEIGN POLICY ISSUES. FINALLY, WITH REGARD TO MIKI'S FIRST PROJECT OF STRENGTHENING THE ANTI-TRUST ACT, WE NOTE THAT IMMEDIATELY AFTER HE HAD TASKED THE PRIME MINISTER'S OFFICE ON DECEMBER 10 TO COME UP WITH A DRAFT REVISION OF THE ACT BY LATE JANUARY, THE PARTY LEADERSHIP ANNOUNCED THAT THE PARTY WOULD MAKE A PARALLEL STUDY.

5. ON THE CABINET SIDE OF THE ADMINISTRATION, THE LINEUP OF MINISTERIAL APPOINTMENTS REFLECTS THE CONFUSED POWER PICTURE AS WELL AS THE FACT THAT FACTIONAL CONSIDERATIONS COULD NOT BE IGNORED IN CREATING A WORKABLE GOVERNMENT. THE GRANTING OF FOUR POSTS EACH TO THE TANAKA AND OHIRA FACTIONS WHILE THE FACTION OF MIKI AND THAT OF HIS ALLY, FUKUDA, RECEIVED ONLY THREE POSTS EACH, WAS UNDOUBTEDLY A NECESSARY CONCESSION TO INSURE THE COOPERATION OF THE TANAKA AND OHIRA GROUPS IN THE ALL-PARTY UNITY CABINET THAT MIKI WANTED AND NEEDED. SOME SOURCES POINT OUT THAT THE RELATIVELY GENEROUS ALLOTMENT OF FIVE POSTS TO THE MINOR FACTIONS WAS ALSO DESIGNED TO TIE THE SUPPORT OF THIS GROUP TO THE NEW GOVERNMENT AND TO USE THEM TO AUGMENT THE INFERIOR INTRA-PARTY STRENGTH OF THE NEW MIKI-FUKUDA MAINSTREAM. THE FACT THAT THE NAKASONE FACTION RECEIVED ONLY ONE CABINET
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SEAT HAS BECOME A SOURCE OF DISCONTENT AND BITTERNESS WITHIN THIS GROUP, ALTHOUGH THIS WAS SUPPOSEDLY BALANCED BY THE FACT THAT NAKASONE HAD BEEN GIVEN THE KEY PARTY POST OF SECRETARY GENERAL.

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6. PRIME MINISTER MIKI'S PERSONAL POWER BASE IS EXTREMELY WEAK. WHILE HE HAS SUCCEEDED IN REWARDING WITH CABINET POSTS TWO OF HIS OLD RETAINERS--HIS POLICY ADVISOR IDE (CHIEF CABINET SECRETARY) AND HIS CHIEF FUND RAISER KOMOTO (MITI)--NEITHER IS EXPECTED TO ADD MUCH TO MIKI'S INFLUENCE. KOMOTO, WHO HAS ALREADY BEEN UNDER FIRE IN THE DIET FOR HIS ALLEGEDLY SHADY MANIPULATION OF STOCK IN A STEAMSHIP COMPANY WHICH HE FOUNDED, MAY WELL TURN OUT TO BE A SUBSTANTIAL LIABILITY TO MIKI. A JSP SOURCE HAS INFORMED US THAT THE OPPOSITION HAS LATCHED ONTO KOMOTO AS ONE OF MIKI'S FEW TACTICAL VULNERABILITIES FROM THE OPPOSITION POINT OF VIEW, AND IS LIKELY TO DEMAND KOMOTO'S REMOVAL EARLY IN THE EXTRAORDINARY DIET SESSION--PERHAPS IN RETURN FOR OPPOSITION COOPERATION IN GETTING THE SUPPLEMENTARY BUDGET PASSED.

7. DEPUTY PRIME MINISTER FUKUDA, JUDGING FROM HIS
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PRESS STATEMENTS, HAS EVERY INTENTION OF ACTING AS PRIME MINISTER IN CHARGE OF ECONOMIC AFFAIRS. THE CABINET DECIDED DECEMBER 10 TO LET HIM FORM AND CHAIR A CABINET COUNCIL TO "SYNTHESIZE" NOT ONLY ANTI-INFLATION AND ANTI-RECESSION MEASURES, BUT

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ENERGY AND LABOR POLICIES AS WELL. THIS WOULD PROBABLY THEN FREE MIKI TO CONCENTRATE ON AREAS OF PRIMARY INTEREST TO HIM--PARTY REFORM, ANTI-POLLUTION, SOCIAL WELFARE, AND EDUCATION. HOWEVER, IF AS APPEARS LIKELY THE ECONOMIC COUNCIL IS MADE UP OF FUKUDA (ALSO IN HIS CAPACITY AS EPA DIRECTOR), OHIRA (FINANCE), KOMOTO (MITI), MAFVVZCZ

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